

Goal 10: Effective Management

EPA will maintain the highest-quality standards for environmental leadership and for effective internal management and fiscal responsibility by managing for results.

Background and Context

The programs under this Goal are designed to deliver services that enable EPA program offices to make results-based decisions and meet environmental protection goals in a cost-effective manner. Sound leadership, proactive management of human resources, policy guidance, innovation, quality customer service, consultation with stakeholders, results-based planning and budgeting, fiscal accountability, and careful stewardship of our resources provide the foundation for everything EPA does to advance the protection of human health and the environment.

Developing and carrying out these policies and services is accomplished through focus on front-line customer services and measuring results. EPA routinely consults and coordinates with industries, communities and other customers and partners to identify emerging issues and develop strategies to meet shared objectives. In addition, work under this goal ensures that EPA's management systems and processes are supported by independent evaluations that promote operational integrity and program efficiency and effectiveness, allowing us to obtain the greatest return on taxpayer investments.

Work under this goal ensures that EPA's management systems and processes, and its programs are supported by independent evaluations that promote operational integrity and efficient and effective programs allowing us to obtain the greatest return on taxpayer investments, and to prevent and detect fraud, waste and mismanagement.

Activities under this goal support the full range of Agency activities for a healthy and sustainable environment and include the following areas:

- Effective vision and leadership;
- Results-based planning and budgeting;
- Fiscal accountability;

- Quality customer service;
- Professional development of the Agency workforce;
- Independent evaluation of Agency programs;
- Investment in core infrastructure;
- Streamlined business processes;
- Program integrity;
- Management of human resources;
- Performance based procurement.

The performance of this Goal is designed to provide the leadership and services that enable EPA program offices to reach their environmental protection goals in an efficient and effective manner. The effectiveness of EPA's management and the delivery of administrative services will determine, in large measure, how successful we are in achieving the Agency's environmental mission. The Agency must continue to improve the quality and delivery of its services. Instead of the traditional command and control strategies, many emerging issues require increased cooperation and coordination with states, tribes, industry and other partners. Agency management and program operations will be independently evaluated to promote economy, efficiency, and effectiveness, and to prevent and detect fraud, waste, and mismanagement.

EPA is also actively working to align its management objectives more closely with those of the President's Management Reform Agenda. EPA's strategy for providing effective management specifically addresses the major challenges facing the federal government as a whole:

- *Strategic Management of Human Capital:* The Agency is developing a comprehensive strategy to attract, develop and retain a workforce that is prepared to meet the Agency's future challenges.
- *Competitive Sourcing:* EPA submitted its Competitive Sourcing Plan to OMB as required and will hold competitions in FY

- 2002 and FY 2003 to meet the goals of the President's Competitive Sourcing Agenda.
- *Improved Financial Performance:* The Agency is making significant progress on the replacement of its aging financial management systems. EPA has also instituted a comprehensive strategy addressing all security-related deficiencies, and is implementing a process to eliminate a historical backlog in issuing National Pollutant Discharge Elimination Systems Permits (NPDES) by the end of FY 2005.
 - *Budget and Performance Integration:* In FY 2003 the Agency will improve the quality of its performance goals and measures and restate them more closely to environmental outcomes across its goals.
 - *E-Government:* (See Goal 7 for the discussion of the Agency's strategy for e-government issues.)
 - Assessing management challenges and program risks identified by Congress, oversight agencies, EPA's OIG and State and Tribal partners;
 - Committing to manage human resources; foster diversity; and work to secure, develop, empower, and retain talented people to accomplish the Agency's environmental mission;
 - Investing in core infrastructure that promote energy efficiency and green procurement, and maintain a safe, healthy, and productive work environment;
 - Implementing streamlined systems and processes in grants and contracts/management;
 - Recognizing the special vulnerability of children and other sensitive sub-populations, such as older Americans, to environmental risks and facilitating the intensified commitment to protect children and the elderly.

Means and Strategy

The Agency will continue to provide vision, leadership, policy and oversight for all its programs and partnerships. It will employ management strategies to advance the protection of human health and the environment. Strategies that cut across all organizational boundaries and are key to performing the Agency's mission are:

- Developing partnerships with stakeholders to ensure mutual goals are met;
- Promoting cost-effective investment in environmental protection and public health through sound stewardship and responsible results-based management. EPA works to achieve this goal through keeping pace with technological change, meeting accounting standards, consulting with customers and stakeholders, and improving delivery of services;
- Providing responsive and accountable management;

EPA will continue to aggressively implement its action plan in support of the Agency's Strategy for Human Capital. This strategy will enable EPA to attract, retain and further develop a diverse workforce prepared to meet current and future challenges. Building on work that began in 1998, EPA's goals for human capital will focus on implementing a workforce planning model, completing a comprehensive pay review, and developing delivery systems and processes to enhance the training and development of EPA's workforce.

In continuing to provide a quality work environment that is energy conscious and values employee safety and security, the Agency will implement repair and improvement projects at several EPA facilities. These facilities provide the tools essential to research innovative solutions for current and future environmental problems and enhance our understanding of environmental risks. In FY 2003, EPA's goals in this area are aimed at reducing energy consumption at its facilities by encouraging the use of new and advanced technologies and energy savings performance contracts.

By building on the success of its integrated planning, budgeting, and accountability processes and initiatives, EPA promotes the implementation of the Government Performance and Results Act (GPRA) to ensure sound stewardship of Agency fiscal resources. As part of this effort, the Agency is improving its capabilities to use performance data and other information to make cost-effective investments for environmental results. EPA collaborates extensively with partners and stakeholders to forge the partnerships required for shared approaches to meeting the challenges of GPRA. EPA consults with internal customers on fiscal management services to meet their needs for timeliness, efficiency and quality.

Audit, evaluation, investigative, and advisory products and services contribute to effective management by facilitating the accomplishment of the Agency's mission. Specifically, audits, evaluations, and advisory services lead to improved economy, efficiency, and effectiveness in EPA business practices and assist in the accomplishment of environmental goals. Investigations detect and deter fraud and other improprieties which can undermine the integrity of EPA programs and resources. All Office of Inspector General work is focused on the anticipated value it will have on influencing resolution of the Agency's major management challenges, reducing risk, improving management and program operations, and saving taxpayer dollars while leading to the attainment of EPA's strategic goals.

The Agency will continue its commitment to protect children's health by targeting resources towards activities that will assure that the decisions and actions taken by the Agency consider risks to children, including working to develop sound scientific information to provide the basis for these decisions and actions. The Agency will also provide policy direction and guidance on equal employment opportunity and civil rights. The Agency's Administrative Law Judges and its Environmental Appeals Board Judges will issue decisions on administrative complaints and environmental adjudications, respectively, in a timely manner.

External Factors

EPA would be affected by limited availability of environmental data required to measure results and make decisions relating resources to results.

The ability of the Office of Inspector General to accomplish its annual performance goals is dependent, in part, on external factors. Indictments, convictions, fines, restitutions, civil recoveries, suspensions, and debarments are affected by the actions of others (e.g., the Department of Justice). In addition, the prosecutive criteria established within various jurisdictions (e.g., dollar thresholds) can affect the number of investigative cases.

Resource Summary

(Dollars in Thousands)

	FY 2001 Actuals	FY 2002 Enacted	FY 2003 Request
Effective Management	\$445,611.9	\$424,928.1	\$460,963.2
Provide Leadership	\$40,847.0	\$47,207.9	\$49,767.0
Environmental Program & Management	\$40,847.0	\$47,207.9	\$49,767.0
Manage for Results Through Services, Policies, and Operations.	\$178,771.0	\$186,431.5	\$201,462.0
Environmental Program & Management	\$149,156.6	\$152,852.9	\$164,663.0
Hazardous Substance Superfund	\$28,781.4	\$32,213.7	\$35,352.7
Leaking Underground Storage Tanks	\$699.3	\$1,143.4	\$1,194.4
Oil Spill Response	\$6.2	\$44.7	\$53.2
Science & Technology	\$127.5	\$176.8	\$198.7
Provide Quality Work Environment.	\$177,971.0	\$169,367.3	\$156,141.5
ALLOCATION ACCT	\$24,988.5	\$0.0	\$0.0
Building and Facilities	\$28,275.5	\$25,318.0	\$42,918.0
Environmental Program & Management	\$80,410.7	\$96,535.6	\$80,105.9
Hazardous Substance Superfund	\$26,434.6	\$22,595.8	\$21,608.3
Leaking Underground Storage Tanks	\$237.5	\$1,013.9	\$1,018.4
Oil Spill Response	\$76.2	\$454.1	\$451.9
Rereg. & Exped. Proc. Rev Fund	\$1,890.0	\$0.0	\$0.0
Science & Technology	\$15,658.0	\$23,449.9	\$10,039.0
Provide Audit, Evaluation, and Investigative Products and Services	\$48,022.9	\$51,961.4	\$53,592.7
Environmental Program & Management	\$7,039.8	\$5,989.8	\$4,290.0
Hazardous Substance Superfund	\$197.3	\$11,952.6	\$13,977.7
Inspector General	\$40,785.8	\$34,019.0	\$35,325.0
Total Workyears	2,129.2	1,996.2	1,943.7

Objective 1: Provide Leadership

Provide vision, national and international leadership, executive direction, and support for all Agency

Key Program

(Dollars in Thousands)

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	FY 2003 Req. v. FY 2002 Ena.
Administrative Law	\$2,567.3	\$2,684.0	\$2,869.8	\$185.8
Administrative Services	\$298.3	\$0.0	\$0.0	\$0.0
Childrens Health, Program Development and Coordination	\$6,036.9	\$6,099.0	\$6,670.9	\$571.9
Civil Rights/Title VI Compliance	\$9,140.1	\$10,143.6	\$11,770.7	\$1,627.1
Environmental Appeals Boards	\$1,553.1	\$1,667.3	\$1,737.7	\$70.4
Executive Support	\$2,752.1	\$3,113.0	\$3,037.6	(\$75.4)
Facilities Infrastructure and Operations	\$2,494.4	\$5,226.9	\$4,492.7	(\$734.2)
Immediate Office of the Administrator	\$3,994.1	\$4,175.9	\$4,343.7	\$167.8
Intergovernmental Relations - OA	\$1,847.8	\$2,167.4	\$2,292.7	\$125.3
Legal Services	\$3,369.4	\$3,979.2	\$4,360.4	\$381.2
Management Services and Stewardship	\$0.0	\$405.1	\$430.6	\$25.5
Regional Management	\$6,780.3	\$7,546.5	\$7,760.2	\$213.7

Statutory Authorities

Administrative Procedure Act
Civil Rights Act of 1964, Title VI
Civil Rights Act of 1964, Title VII

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

Objective 2: Manage for Results Through Services, Policies, and Operations

Demonstrate leadership in managing for results by providing the management services, administrative policies, and operations to enable the Agency to achieve its environmental mission and to meet its fiduciary and workforce responsibilities and mandates.

Key Program

(Dollars in Thousands)

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	FY 2003 Req. v. FY 2002 Ena.
Brownfields	\$0.0	\$0.0	\$231.1	\$231.1
Environmental Finance Center Grants (EFC)	\$1,249.0	\$2,000.0	\$2,000.0	\$0.0
Facilities Infrastructure and Operations	\$52,174.8	\$50,675.0	\$54,819.0	\$4,144.0
Legal Services	\$4,327.0	\$4,614.5	\$4,964.6	\$350.1
Management Services and Stewardship	\$62,643.5	\$60,875.1	\$67,328.8	\$6,453.7
Planning and Resource Management	\$47,567.1	\$56,295.3	\$62,791.1	\$6,495.8
Public Access	\$0.0	\$1,429.0	\$0.0	(\$1,429.0)
Regional Management	\$7,587.4	\$8,934.6	\$7,725.1	(\$1,209.5)
Regulatory Development	\$1,435.2	\$1,608.0	\$1,602.3	(\$5.7)

Annual Performance Goals and Measures

Strengthen EPAs Management

In 2003 Strengthen EPA's management services in support of the Agency's mission while addressing the challenges included in the President's Management Agenda

Performance Measures:

FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Units
-------------------	--------------------	--------------------	-------

Number of Agency offices using the workforce planning model which identifies skills and competencies needed by the Agency for strategic recruitment, retention and developmental training.			5	Offices
Percentage of total eligible service contracting dollars obligated as performance based in FY2003.			30	Percent
Agency audited Financial Statements are timely, and receive an unqualified opinion.			one	Finan statement

Baseline: Based on FY 2002 performance, baselines are: Zero for number of Agency offices using the workforce planning model; 20% for performance-based contracts, and an unqualified opinion for financial statements.

Verification and Validation of Performance Measures

Performance Measure: Number of Agency offices using the workforce planning model which identifies skills and competencies needed by the Agency for strategic recruitment, retention and developmental training.

Performance Database: No database. Agency staff track manually.

Data Source: Agency staff.

QA/QC Procedures: N/A

Data Quality Review: N/A

Data Limitations: N/A

New/Improved Data or Systems: N/A

Performance Measure: Percentage of total eligible service contracting dollars obligated as performance based.

Performance Database: The Integrated Contracts Management System (ICMS), which has an identifier to show which contracts are performance based and the dollars associated with it.

Data Source: Agency personnel inputs data into ICMS.

QA/QC Procedures: N/A

Data Quality Review: N/A

Data Limitations: N/A

New/Improved Data or Systems: ICMS was updated in order to track this performance measure

Statutory Authorities

Federal Manager's Financial Integrity Act (1982)
The Chief Financial Officers Act (1990)
The Prompt Payment Act (1982)
The Government Performance and Results Act (1993)
Government Management Reform Act (1994)
Inspector General Act of 1978 and Amendments of 1988
Title 5 United States Code.
Annual Appropriations Act
EPA's Environmental Statutes, and the Federal Grant and Cooperative Agreement Act
Federal Acquisition Regulations (FAR), Contract law, and EPA's Assistance Regulations (40CFR Parts 30, 31, 35, 40, 45, 46, 47)
Clinger-Cohen Act
Paperwork Reduction Act,
Freedom of Information Act
Computer Security Act
Privacy Act
Electronic Freedom of Information Act
Comprehensive Environmental Response, Compensation and Liability Act
Brownfields Revitalization and Environmental Restoration Act

Objective 3: Provide Quality Work Environment

Effectively conduct planning and oversight for building operations and provide employees with a quality work environment that considers safety, new construction, and repairs and that promotes pollution prevention within EPA and with our state, tribal, local, and private partnerships.

Key Program

(Dollars in Thousands)

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	FY 2003 Req. v. FY 2002 Ena.
Administrative Services	\$612.4	\$0.0	\$0.0	\$0.0
Facilities Infrastructure and Operations	\$115,272.8	\$106,936.9	\$100,221.3	(\$6,715.6)
Homeland Security	\$0.0	\$30,040.0	\$19,000.0	(\$11,040.0)
Legal Services	\$124.9	\$140.2	\$150.6	\$10.4
Management Services and Stewardship	\$8,092.8	\$5,963.9	\$8,974.0	\$3,010.1
Regional Management	\$20,889.1	\$18,807.3	\$20,416.7	\$1,609.4
Regional Program Infrastructure	\$6,177.1	\$6,132.2	\$6,032.1	(\$100.1)
Superfund Remedial Actions	\$1,368.8	\$1,346.8	\$1,346.8	\$0.0

Annual Performance Goals and Measures

Energy Consumption Reduction

- In 2003 By 2003, EPA will achieve a 15% energy consumption reduction at its 21 laboratories.
- In 2002 EPA will implement 5 energy saving projects at EPA owned facilities.
- In 2001 In FY 2001 the Agency completed projects which will significantly reduce energy consumption at five EPA-owned laboratories.

Performance Measures:	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Units
Number of energy saving projects at EPA owned facilities.	5	5		Projects
Cumulative percentage reduction in energy consumption (from 1990).			15	Percent

Baseline: In FY 2000, energy consumption of British Thermal Units (BTUs) per square foot is 320,000 BTUs per square foot.

Verification and Validation of Performance Measures

None.

Statutory Authority

Federal Manager's Financial Integrity Act (1982)

The Chief Financial Officers Act (1990)

The Prompt Payment Act (1982)

The Government Performance and Results Act (1993)

Government Management Reform Act (1994)

Inspector General Act of 1978 and Amendments of 1988

Title 5 United States Code

Annual Appropriations Act

EPA's Environmental Statutes, and the Federal Grant and Cooperative Agreement Act

Federal Acquisition Regulations (FAR), contract law, and EPA's Assistance Regulations (40CFR Parts 30, 31, 35, 40, 45, 46, 47)

Clinger-Cohen Act

Paperwork Reduction Act

Freedom of Information Act

Computer Security Act

Privacy Act

Electronic Freedom of Information Act

Comprehensive Environmental Response, Compensation and Liability Act

Objective 4: Provide Audit and Investigative Products and Services

Provide audit, evaluation, and investigative products and advisory services resulting in improved environmental quality and human health.

Key Program

(Dollars in Thousands)

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	FY 2003 Req. v. FY 2002 Ena.
Administrative Services	\$76.0	\$0.0	\$0.0	\$0.0
Assistance Agreement Audits	\$3,487.6	\$2,000.0	\$0.0	(\$2,000.0)
Assistance Agreement Investigations	\$793.6	\$2,900.0	\$0.0	(\$2,900.0)
Contract Audits	\$5,025.4	\$5,200.0	\$0.0	(\$5,200.0)
Contract and Procurement Investigations	\$510.1	\$3,100.0	\$0.0	(\$3,100.0)
Employee Integrity Investigations	\$325.8	\$1,000.0	\$0.0	(\$1,000.0)
Facilities Infrastructure and Operations	\$7,033.4	\$5,673.2	\$5,243.6	(\$429.6)
Financial Statement Audits	\$4,000.0	\$4,000.0	\$0.0	(\$4,000.0)
Investigations	\$0.0	\$0.0	\$9,469.6	\$9,469.6
Management Services and Stewardship	\$418.4	\$402.2	\$282.1	(\$120.1)
Planning, Analysis, and Results - IG	\$9,463.3	\$6,286.0	\$0.0	(\$6,286.0)
Program Audits	\$6,179.0	\$4,900.0	\$0.0	(\$4,900.0)
Program Evaluation - IG	\$15,308.9	\$15,000.0	\$0.0	(\$15,000.0)
Program Evaluations/Audit	\$0.0	\$0.0	\$38,597.4	\$38,597.4
Program Integrity Investigations	\$400.0	\$1,500.0	\$0.0	(\$1,500.0)

Annual Performance Goals and Measures

Fraud Detection and Deterrence

- In 2003 Improve Agency management and program operations by identifying savings, recoveries , and fines equaling 150 percent of the investment in the OIG, and by preventing fraud and reducing the risk of loss through 50 criminal, civil, or administrative actions.
- In 2002 Improve Agency management and program operations by identifying savings, recoveries , and fines equaling the annual investment in the OIG, and by preventing fraud and reducing the risk of loss through 50 criminal, civil, or administrative actions.
- In 2001 We met our goal to increase our effectiveness in detecting & deterring fraud & other improprieties that undermine the integrity of Agency programs/resources. Investigations resulted in 120 judicial, administrative & other actions taken to enforce laws & reduce/avoid risk & \$5.3 millions in savings.

Performance Measures:	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Units
Number of judicial, administrative, or other actions taken.		50	50	Actions
Return on the annual dollar investment in the OIG		100	150	Percent

Baseline: In FY 2001, the OIG will identify savings, recoveries, and fines at a baseline of \$44.3 million and reduce the risk of loss through criminal, civil, or administrative actions at a baseline of 54 actions.

Audit and Advisory Services

- In 2003 Improve environmental quality and human health by recommending 75 improvements across Agency environmental goals, identifying and recommending solutions to reduce 20 of the highest environmental risks, and identifying 20 best environmental practices.
- In 2002 Improve environmental quality and human health by recommending 50 improvements across Agency environmental goals, identifying and recommending solutions to reduce 15 of the highest environmental risks, and identifying 15 best environmental practices.
- In 2001 The OIG exceeded its annual performance goals of providing timely, independent auditing and consulting services responsive to the needs of our customers that provide value to the agency and recommendations to improve program and operational performance and integrity.

Performance Measures:	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Units
Number of environmental improvements made, reductions in environmental risks.		65	95	Improvements
Number of best environmental practices identified		15	20	Practices

Baseline: In FY 2001, the OIG will recommend improvements across the Agency environmental goals and recommend solutions to reduce the highest environmental risks at a baseline of 68 recommendations.

Verification and Validation of Performance Measures

Performance Measure: Number of recommendations for environmental improvements made, reductions in environmental risks and best environmental practices.

Performance Database: The OIG Performance Results and Measurement System is used to capture and aggregate information on the actual and prospective results of OIG products and services. The database identifies an array of measures in logic model format linking immediate outputs with longer term intermediate outcomes and results supporting the Office of Inspector General's (OIG) strategic goals. Because intermediate and long-term results do not come to fruition for several years, only verifiable results are reported in the year completed, while others remain prospective until completed and verified. Database measures include numbers of 1) recommendations for environmental improvement; 2) legislative and regulatory changes; 3) policy, directive, or process changes; 4) environmental risks identified, reduced or eliminated; 5) best practices identified and transferred; and 6) examples of environmental improvement.

Data Source: Designated OIG staff are responsible for entering data into the system. Data are from OIG independent follow-up, research, and certifications of actions taken by EPA officials. OIG also collects independent data from EPA's partners and through its own performance evaluations, audits, and research to determine the extent of environmental improvements, risks reduced or avoided, and best practices transferred.

QA/QC Procedures: All performance data submitted to the database require at least one verifiable source ensuring data accuracy and reliability. Data quality assurance and control are automatically performed as an extension of OIG products and services, subject to rigorous compliance with the Government Auditing Standards of the Comptroller General, and regularly reviewed by OIG management, an independent OIG Management Assessment Review Team, and external independent peer reviewers. The statutory mission of the OIG, is to conduct independent audits, evaluations, and investigations to promote, among other things, integrity in Agency operations and reporting systems.

Data Quality Reviews: There have not been any previous audit findings or reports by external groups on data or database weaknesses in the OIG Performance Results and Accountability System.

Data Limitations: All OIG staff are responsible for data accuracy in their products and services. However, there is the possibility of incomplete, miscoded, or missing data in the system due to human error. Data supporting achievement of results are often from indirect or external sources, with their own methods or standards for data verification/validation.

New/Improved Data or Systems: The OIG developed the Performance Results and Accountability System as a prototype in FY 2001 and anticipates enhancing it in FY 2003 with more sophisticated software designed to improve data collection, retention, and analysis. This system is a best practice in government for linking an array of measures from outputs to eventual results and impacts. With enhanced linkages to customer satisfaction results and resource investments, it will provide a full, balanced scorecard with return on investment information for accountability and decision-making.

Statutory Authorities

Inspector General Act of 1978, as amended

Chief Financial Officers Act

Government Management Reform Act

Federal Financial Management Improvement Act

Comprehensive Environmental Response, Compensation and Liability Act

Food Quality Protection Act